



Arkansas State Revenue Tax Quarterly

Mike Beebe, Governor

Department of Finance & Administration
Revenue Division

Richard A. Weiss, Director
Tim Leathers, Commissioner

Volume XV, No. 2

April, May, and June 2009

Included in this Issue	Page
Changes in Arkansas Taxes Enacted During the Regular Session of 2009	1 & 2
AIRS	2 & 3
Online Filing and Sales and Use Tax Type Code Changes	3
New Sales Tax Forms & Webpage Links	3
Income Tax Relief for Taxpayers affected by April 9, 2009 storms	3
Contact Info, Sales Tax Changes, Suggestion Corner	4
Calendar of Due Dates & Sign-up for Rule and Arkansas State Revenue Tax Quarterly Email Distribution List	5

Changes in Arkansas Taxes Enacted During the Regular Session of 2009

During the 2009 Legislative Session, a number of acts that affect Arkansas' revenue were enacted. Additional information concerning other acts will be discussed in future newsletters, including any new rules that may be promulgated as a result of the Legislative Session. The following is a partial list of acts that were enacted:

Act 436: An Act To Reduce The State Sales And Use Tax Rate On Food And Food Ingredients; And For Other Purposes.

State sales tax on food and food ingredients will be reduced from 3% to 2% effective July 1, 2009. This act does not ap-

ply to local tax rates. The state sales tax on food was reduced from 6% to 3% in July 2007.

Act 695: To Reduce The Sales and Use Tax Rate On Utilities Used By A Manufacturer; and For Other Purposes.

Beginning July 1, 2009, the state sales and use tax rate will be reduced from 3.875% to 3.125% for the sale of natural gas and electricity sold to a manufacturer for use directly in the actual manufacturing process.

This Act reduced the statutory state tax rate on natural gas and electricity used directly in manufacturing. The act did not affect the constitutional levy (by Amendment 75 to the Arkansas Constitution) of state tax at the rate of one-eighth of one percent (0.125%) on all taxable sales of property and services. The aggregate of the state tax rate and the constitutional rate result in a 3.25% total state sales tax rate.

Act 180: An Act To Increase The Tax on Cigarettes And Other Tobacco Products; To Authorize The Department Of Finance and Administration To Pay The Commission To The Stamp Deputies For Certain Cigarette Taxes; And For Other Purposes.

Act 180 went into effect on March 1, 2009. The act added an additional tax of twenty-eight dollars (\$28.00) per one thousand (1,000) cigarettes (56¢ per pack) sold in the state. The total tax rate is now \$57.50 per one thousand cigarettes or \$1.15 per pack. Act 180 also added an additional tax on tobacco products other than cigarettes on the first sale to wholesalers or retailers within the state at thirty-six percent (36%) of the manufacturer's selling price. This brings the total state tax rate on other tobacco products to 68%. Furthermore, Act 180 also changed the stamp duty commission on cigarettes to 3%, calculated on the total \$1.15 tax amount.

For information on cigarette tax, please go to the following web page,
http://www.arkansas.gov/dfa/excise_tax_v2/et_mt_descriptions.html.

For additional information on sales tax, please visit Arkansas DFA's webpage at <http://www.arkansas.gov/dfa>. Click on the Sales and Use Tax link located under "Most Requested Links" in the middle of the page.

Act 360: An Act to Provide for the Closure of Businesses that fail to report or remit state withholding taxes for three months during a twenty-four consecutive month periods; and for other purposes.

Beginning July 1, 2009, this act authorizes the Arkansas DFA to close a business when a taxpayer fails to report or remit state withholding taxes for three months during a twenty-four consecutive month period.

Disclosure of the business name, business address, and the city and county in which the business is located as it appears on the withholding registration will be posted on the Arkansas DFA website and will remain

posted until the noncompliant taxpayer is no longer subject to business closure.

To view the previously listed acts in their entirety, please go to the following web-page: <http://www.arkleg.state.ar.us/>

AIRS



Arkansas began implementation of a new Tax Computer System entitled AIRS. The Arkansas Integrated Revenue System (AIRS) project is an integrated tax development project. AIRS is based on the FAST Enterprises Gentax Software product. GenTax® is an integrated tax software system that is used in several revenue agencies across North America and the Caribbean.

The official first rollout process began in the Sales Tax Section on February 17, 2009. Other sections included in the first rollout were Collections, Bankruptcy, Discovery, and Audit.

Below are some of the states and their corresponding agencies that utilize GenTax®: Alabama, Alabama Department of Revenue; Virginia, Arlington County; Colorado, Colorado Department of Revenue; Georgia, Georgia Department of Revenue; Idaho, Idaho State Tax Commission; Illinois, Illinois Department of Revenue; Louisiana, Louisiana Department of Revenue; Minnesota, Minnesota Department of Revenue; Montana, Montana Department of Revenue; New Mexico, New Mexico Taxation & Revenue Department; North Dakota, North Dakota Office of State Tax Commissioner; Arizona, City of Scottsdale Financial Services Department; Utah, Utah State Tax Commission; West Virginia, West Virginia State Tax Department; and Wisconsin, Wisconsin Department of Revenue.

Information gathered for this article on GenTax® was found on the following website: <http://www.gentax.com/>.

OFFICE OF EXCISE TAX ADMINISTRATION

Online Filing and Sales and Use Tax Type Code Changes

Sales tax filers that are required to make prepayments can now pay prepayments, make payments only, and file and pay sales tax returns online. Amended sales tax reports may be also filed online.

The first step in filing sales tax online is to create an online account using the sales tax account ID assigned to the business. A password is required to access sales tax online filing. An online sales tax account needs to be created separately for each company.

To file sales tax reports online, please go to the link: <http://www.ar-tax.org/>

As of January 29, 2009, EFT Gross Receipts/Use Tax Payment codes have changed. The new codes Gross Receipts/Use tax Payment are as follows:

<u>Tax Code</u>	<u>Type Used For</u>
04020	Gross Receipts/Use State Tax Payment
04201	Sales Tax (Pre-Payment #1)
04202	Sales Tax (Pre-Payment #2)

For more information on EFT filing and new tax type codes for EFT payments, please click on the following link:

http://www.arkansas.gov/dfa/excise_tax_v2/et_su_eft.html.

Sales and Use Tax EFT/Prepay Unit can be contacted at 501-682-7105.

New Sales Tax Forms

New reporting forms were mailed in January 2009. The forms list the sales tax permit number on the form. There is a scan line located at the bottom of the form that is specific to each individual taxpayer. The new sales tax forms may not be copied for use for another taxpayer.

Income Tax Relief for Taxpayers Affected by April 9, 2009 Storms

LITTLE ROCK, AR— The Department of Finance and Administration announced on April 13, 2009 that Governor Mike Beebe declared five (5) counties state disaster areas due to damages caused by severe storms and tornadoes that occurred on April 9, 2009. **The five (5) counties are Ashley, Howard, Miller, Polk and Sevier.** Taxpayers in these counties are eligible for special income tax relief under Arkansas law.

The deadline for filing income tax returns and paying any tax due is extended until August 15, 2009 for taxpayers affected by the April 9, 2009 storms and tornadoes and who reside or have a business in the affected counties. In addition, the Department will waive the failure to file, failure to pay and interest charges for businesses unable to make withholding deposits and/or individuals or businesses unable to make estimate tax payments due between April 9, 2009 and May 27, 2009 because of the recent storms and tornadoes.

To claim the special extension on a return, **please write "Disaster Storms" on the front of the mailing envelope and on the top left corner of return.** This helps ensure correct processing of your return. If you receive a notice of penalties and interest, call (501) 682-1100 to request relief. For more information, access our DFA website at: http://www.arkansas.gov/dfa/dfa_taxes.html.

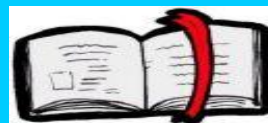
Contact Info

Telephone Information



Corporate Income Tax	(501) 682-4775
Taxpayer Assistance for Individual Income Tax	(501) 682-1100 1-800-882-9275
Automated Refund Inquiry & Tele-tax Information	(501) 682-0200 1-800-438-1992
Sales and Use Tax	501-682-1895
Problem Resolution and Tax Information Office	501-682-7751
Collections	501-682-5000 501-682-4720
Revenue Legal Counsel	501-682-7030
Motor Vehicle Administration	501-682-4630
Driver Services Administration	501-682-7060
Revenue Administration	501-682-7087
Field Audit Administration	501-682-4616
IRS Taxpayer Assistance/Refund Information	800-829-1040
IRS Federal Tax Forms	800-829-3676
IRS (Taxpayer Advocate)	501-396-5978
Withholding (Income Tax)	501-682-7290
Miscellaneous Tax Section	501-682-7187

Bookmark These DFA Webpage Links



DFA Homepage Link:

<http://www.arkansas.gov/dfa/>

Income Tax Administration:

http://www.arkansas.gov/dfa/income_tax/tax_agency.html

DFA Forms:

http://www.arkansas.gov/dfa/dfa_forms.html

Sales Tax and Withholding Online Filing:

Unemployment Online Filing:

<http://www.ar-tax.org>

Sales and Use Tax Forms:

http://www.arkansas.gov/dfa/excise_tax_v2/et_su_forms.html

Streamlined Sales Tax Registration:

<http://streamlinedsalestax.org/Registration%20Info/Registration.html>

Revenue Rules:

http://www.arkansas.gov/dfa/rules/dfa_revenuerules.html

Date Calendar for 2009

The Arkansas Excise and Income Tax Due Date Calendar for 2009 is now available on the Arkansas DFA website. To view the entire calendar, click on the following link:
http://www.arkansas.gov/dfa/documents/calendar_2009.pdf

Suggestions Corner

If you have any suggestions about items to be included on any future newsletters, please email your suggestions to: Monica.Carmichael@rev.state.ar.us.

Calendar of Due Dates



April 20th through April 30th

4/20/09-Dyed Diesel – Motor Fuel Tax. Sales & Use Tax.
4/24/09-Sales Tax (2nd monthly prepayment).
4/27/09-Motor Fuel Tax (Except IFTA). Severance Tax.
4/30/09-IFTA.

May

5/01/09 – Franchise Tax.
5/12/09 – Sales tax (1st monthly prepayment).
5/14/09 – Employee monthly withholding tax, for prior month (EFT filers only).
5/15/09 – Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).
5/20/09 – Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
5/26/09 – Sales Tax (2nd monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

June

6/12/09 – Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only). 2nd Qtr estimated income tax (Based on calendar year filer) (EFT filers only).
6/15/09 – Employee monthly withholding tax, for prior month. 2nd Qtr estimated income tax (Based on calendar year filer). Miscellaneous Tax (Except Severance taxes).
6/22/09-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
6/24/09- Sales Tax (2nd monthly prepayment).
6/25/09-Motor Fuel Tax (Except IFTA). Severance Tax.

Through July 15th

7/13/09 – Sales Tax (1st monthly prepayment).
7/14/09 – Employee monthly withholding tax, for prior month (EFT filers only).
7/15/09 – Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).



The Arkansas State Revenue Tax Quarterly is a publication of the Problem Resolution and Tax Information Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas. To be added or deleted from the e-mail list, contact Monica Carmichael by phone at (501) 682-7751, by email at Monica.Carmichael@rev.state.ar.us, or by mail at Problem Resolution and Tax Information Office, Ledbetter Building, Room 2460, 1800 W. Seventh Street, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

DFA Rule Email Distribution List Sign-Up information

The Problem Resolution and Tax Information Office notifies all interested parties via email when The Revenue Section of DFA promulgates any rules. To be added to the email distribution list, please email Monica Carmichael at:

Monica.Carmichael@rev.state.ar.us.

Please state in the email that you would like to be added to the email distribution list to be notified about any changes to DFA's Revenue rules.

The rules (regulations) can be accessed on the first page of the Arkansas DFA webpage located in the "Most Requested Links" section:

www.arkansas.gov/dfa